

FINANCE

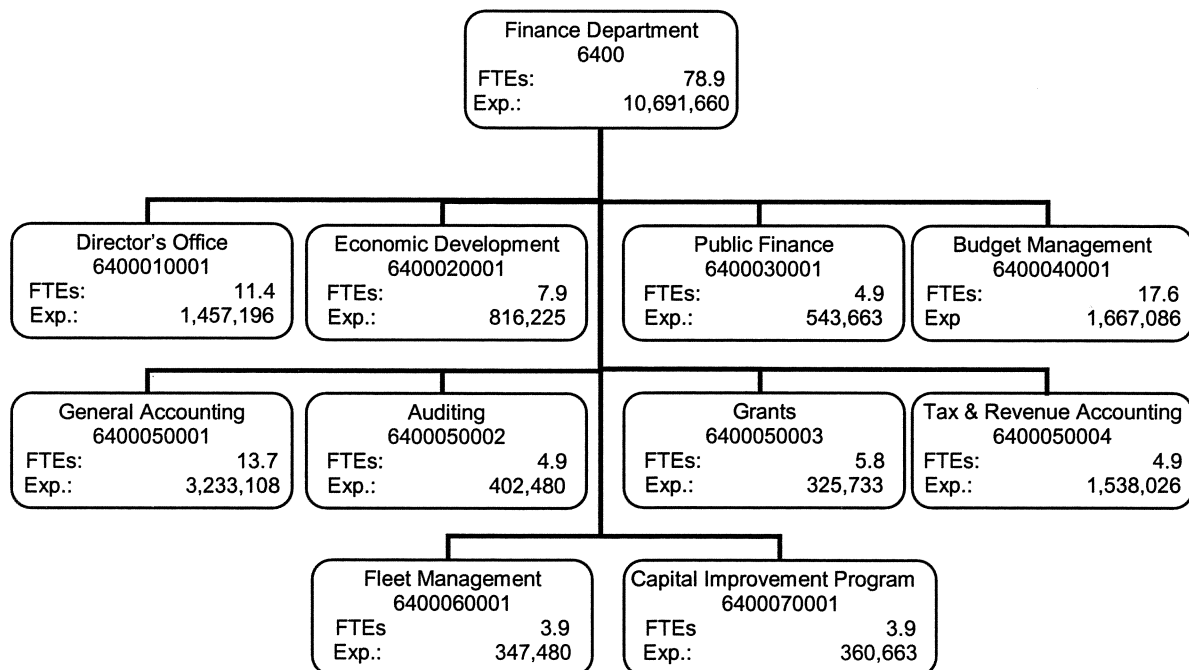
Department Description and Mission

The Finance Department's mission is to serve the citizens of the City of Houston and provide support to City departments through sound management and business decisions of the City's finances.

The Finance Department's mission objectives are to:

- Demonstrate integrity, accountability, consistency, professionalism and a strong work ethic.
- Emphasize strategic financial planning and performance reporting.
- Maximize the effective and efficient use of public funds.
- Execute directives and policies of the Administration and City Council.
- Build a cohesive team of highly qualified talented professionals based on trust, respect, and mutual support.
- Provide excellent customer service.

Department Organization



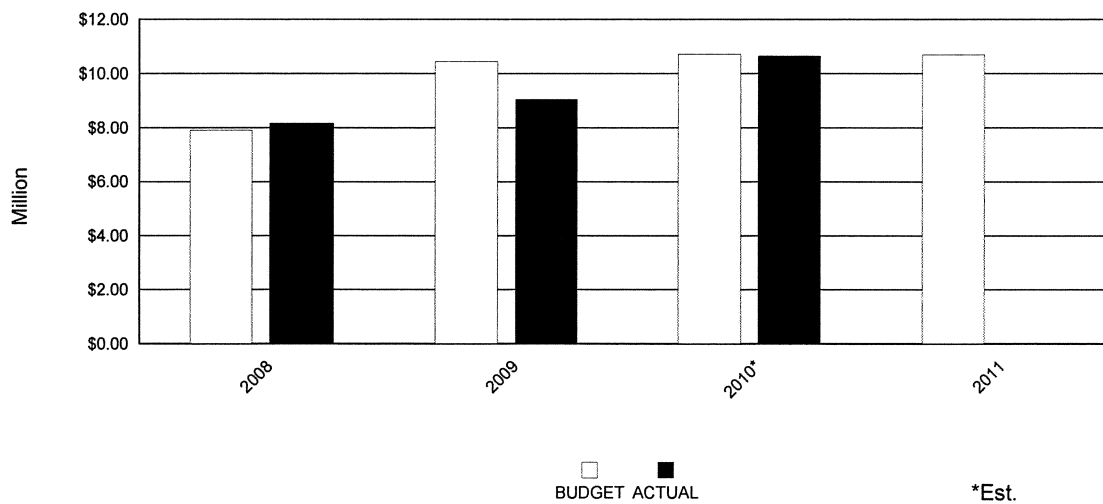
FISCAL YEAR 2011 BUDGET

Business Area Budget Summary

Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus. Area No. : 1000 / 6400

		FY2009 Actual	FY2010 Current Budget	FY2010 Estimate	FY2011 Budget
Expenditures	Personnel Services	5,829,888	7,037,972	6,965,697	7,205,534
	Supplies	61,742	59,461	59,330	59,076
	Other Services and Charges	3,093,930	3,608,402	3,605,820	3,424,470
	Non-Capital Equipment	58,708	8,375	8,375	2,580
	Total M & O Expenditures	<u>9,044,268</u>	<u>10,714,210</u>	<u>10,639,222</u>	<u>10,691,660</u>
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	<u>9,044,268</u>	<u>10,714,210</u>	<u>10,639,222</u>	<u>10,691,660</u>
Revenues		1,439,581,859	1,467,546,446	1,389,030,977	1,357,006,580
Staffing	Full-Time Equivalents - Civilian	68.9	81.9	81.2	78.9
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	<u>68.9</u>	<u>81.9</u>	<u>81.2</u>	<u>78.9</u>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o Revenues are expected to decrease by approximately \$32 million or 2.3% from FY2010 estimates which include: a decrease in Property Tax by \$43.32 million, offset by a Sales Tax increase by \$11.75 million. o Includes 3% HOPE increase (\$164,145) and 1.25% Pay for Performance increase (\$67,672). o Includes transfer of one (1) personnel to Administration & Regulatory Affairs for vehicle disposition (\$56,277). 				

**Finance Department
Current Budget vs Actual Expenditures**



Business Area Cost Center Summary	
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400	
Cost Center Description	Cost Center Objectives
Director's Office 6400010001 Direct and implement citywide financial and strategic policies and objectives of the administration. Perform monthly budgeting, forecasting, revenue reporting and cost analysis to address the financial and programmatic issues of the city.	Improve administrative and financial functions citywide by exercising sound management through improved financial planning and reporting. Implement debt and cash management policies and manage and oversee TIRZ and Economic Development programs.
Intern Program 6400010002 Internship program that afford students an opportunity to develop knowledge and leadership skills pertaining to city government.	Introduce America's future leaders to the inner workings of local government, utilizing their talent and energy to address the challenges local government faces and to expose them to meaningful careers in public service.
Business Office 6400010003 Initiate and implement revisions of policies and procedures in the Finance Department through internal controls to increase accountability, maximizing efficiency of operations.	Prepare departmental monthly and annual budgets. Process all financial transactions including accounts payable, purchasing, and general accounting requirements. Research and implement employee development programs.
Deferred Compensation 6400010004 Implement and manage citywide policies and procedures regulating local, state and federal laws governing the basic, supplemental, investment and fiscal activities. Conduct legislative impact analysis along with other special projects as assigned by the Director.	Manage and improve all policies and procedures governing the citywide financial operations. Ensure transparency of all financial investment and transactions. Provide communication and education of the programs.
Economic Development - TIRZ 6400020001 Implement and manage citywide policy and procedure for economic development programs including Tax Increment Reinvestment Zones (TIRZ) and tax abatements in addition to other tax incentive programs. Brownfields program moved to Public Works & Engineering in FY2011.	Improve policy and procedure for economic development programs and incentives. Develop a team to specialize in various areas of economic development and TIRZ. Ensure transparency on all budgets and financial analysis as they pertain to the various TIRZs.
Public Finance 6400030001 Management of all City debt, including long term fixed debt as well as short-term variable debt. Monitor financial and market trends and develop specific strategies. Manage the Reimbursable Program and miscellaneous capital acquisitions. Special projects as assigned.	Manage existing and prospective debt; monitor the City's Equipment Acquisition Fund, approve Request for Council Action; monitor Capital Project Funding and related Request for Council Action. Undertake Special Projects as assigned.

FISCAL YEAR 2011 BUDGET

Business Area Cost Center Summary									
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400									
Performance Measures	FY2009 Actual			FY2010 Estimate			FY2011 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
GF revenues realized	99.88%			100%			100%		
GF expenditures as % of Budget	98.78%			100%			100%		
	5.2	840,189		4.9	886,313		4.1	883,907	
Interns entered program				5			5		
Interns completed program				5			5		
	0.0	0		2.5	20,000		2.5	20,025	
Payments within 30 days				95%			95%		
Policies written/amended				10			10		
Website visits per day							60		
Budgets & dealines met							100%		
	2.0	164,716		2.3	298,821		2.9	400,857	
Review distribution				900			900		
Review participation				1400			1,400		
Financial review				52			52		
Participant meetings				30			12		
Legislative impct analysis							500		
	0.0	0		1.9	151,694		1.9	152,407	
TIRZ-bring admin in house	3			8			11		
Tax abatements creation	2			4			6		
Tax abatements recapture	6			6			5		
Industrial districts rev.	\$11.2M			\$16.6M			\$15.9M		
Brownfields	60			19			0		
	10.0	976,132		9.2	824,673		7.9	816,225	
Debt transactions	8			5			5		
Review/Approve RCA	440			440			440		
Special projects assigned	10			5			12		
	4.6	440,525		5.0	493,846		4.9	543,663	

FISCAL YEAR 2011 BUDGET

Business Area Cost Center Summary	
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400	
Cost Center Description	Cost Center Objectives
Budget Management 6400040001 Monitor the financial activities of City departments. Coordinate, develop, implement and monitor the citywide budget. Administer budget, tax and financial reporting.	Monitor the City's fiscal activities through financial analysis, review and report preparation.
General Accounting 6400050001 Citywide monitoring and oversight of accounting, fixed assets and internal control. Establish and update accounting and internal control policies. Coordinate annual audit. Prepare cost allocation plan. Manage accounting and FEMA compliance for disasters.	To assist all City departments to properly account for City financial transactions and safeguard assets. Develop indirect cost allocation plan for services provided between departments and federal grant administrative costs recovering \$10 million for General Fund.
Auditing 6400050002 Audit hotels for compliance in paying \$60 million of hotel occupancy taxes. Audit tax abatement agreements for compliance with investment and employment requirements.	To ensure hotels are properly paying hotel occupancy taxes and companies are in compliance with tax abatement agreements. Franchise tax and department operational audits as requested.
Grants 6400050003 Citywide oversight of accounting of all federal and state grants. Account for over 150 grant programs totaling \$400 million. Establish SAP grant management accounting procedures for all city departments.	Proper accounting for all grant programs. Develop procedures for quarterly reconciliations of grant monies. Assist departments in complying with grant regulations. Coordinate federally required single audit of all grant programs.
Tax & Rev Acctg 6400050004 Account for the collection of all city taxes. Prepare General Fund cash flow forecast. Perform property tax rate setting and Truth in Taxation procedures. Assist in budget projections for property taxes.	Record and reconcile taxes collected. Comply with Texas State Property Tax code. Prepare and update cash flow forecast to determine General Fund borrowing needs.
Fleet Management 6400060001 Manage the city's fleet from a citywide perspective. Employ information technology and management reports to increase efficiency of equipment acquisition funds. Support departmental fleet managers with acquisition, disposition and management processes for equipment.	Optimize the City's fleet to improve service delivery while controlling costs to funding limitations. Explore new funding opportunities through grants and partnerships. Become a leader in converting fleet to hybrid and alternative fuel vehicles.

FISCAL YEAR 2011 BUDGET

Business Area Cost Center Summary									
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400									
Performance Measures	FY2009 Actual			FY2010 Estimate			FY2011 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
Financial reports prepared		15			15			15	
City departments monitored		25			25			25	
Funds managed		36			39			39	
		15.8	1,371,778		18.1	1,659,784		17.6	1,667,086
Assets accounted for		\$34.5 B			\$34.6B			\$34.6B	
Cost Allocation plan		1			1			1	
Annual audit		1			1			1	
Quarterly close		0			4			4	
		11.7	3,041,487		14.8	3,377,093		13.7	3,233,108
Total revenue managed (\$)		58.0M			61.0M			61.0M	
Audits completed HOT		30			30			30	
Audits completed other		20			20			16	
		4.7	336,395		4.1	367,289		4.9	402,480
Grants /Awards		137/\$286M			165/\$456M			150/\$400M	
		4.4	272,807		5.9	309,158		5.8	325,733
Taxes collected		\$1.42bil			\$1.368bil			\$1.335bil	
Cash flow forecast		1			1			1	
		4.8	1,159,857		4.6	1,528,640		4.9	1,538,026
Hybrid fleet initiative		42%			50%			50%	
Fund 1800 appropriations		\$32.5m			\$29.0m			\$15.5m	
		4.1	268,126		4.2	386,509		3.9	347,480

FISCAL YEAR 2011 BUDGET

Business Area Cost Center Summary	
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400	
Cost Center Description	Cost Center Objectives
Capital Improvement Program 6400070001 Manage the development of the City's Capital Improvement Plan (CIP), provide management reports and facilitate the execution of projects according to plan. Forecast all financial aspects of CIP as it pertains to various debt models.	Efficiently plan all capital projects according to funding constraints and support timely delivery of projects through effective planning and decision support.

FISCAL YEAR 2011 BUDGET

Business Area Cost Center Summary									
Fund Name : General Fund Business Area Name : Finance Department Fund No./Bus Area No. : 1000 / 6400									
Performance Measures	FY2009 Actual			FY2010 Estimate			FY2011 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
Quarterly Financial Report		4			4			4	
Coordinate District Meetin		10			10			10	
Exec of Plan Approp. (PIB)		\$147M			\$141M			\$100M	
Exec of Plan Exp. (PIB)		\$134M			\$148M			\$126M	
		1.6	172,256		3.7	335,402		3.9	360,663
Total		<u>68.9</u>	<u>9,044,268</u>		<u>81.2</u>	<u>10,639,222</u>		<u>78.9</u>	<u>10,691,660</u>

FISCAL YEAR 2011 BUDGET

Business Area Roster Summary

Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus Area No. : 1000 / 6400

Job Description	Pay Grade	FY2010 Current Budget FTE	FY2011 Budget FTE	Change
ADMINISTRATIVE ASSISTANT	17	2.0	2.0	
ADMINISTRATIVE COORDINATOR	24	1.0	1.0	
ADMINISTRATIVE SPECIALIST	20	4.0	4.0	
ASSISTANT DIRECTOR (EXE LEV)	32	5.0	3.0	(2.0)
CONTRACT ADMINISTRATOR	22	1.0	1.0	
CUSTOMER SERVICE REPRESENTATIVE I	13	1.0	0.0	(1.0)
DEPUTY ASSISTANT DIRECTOR (EXE LEV)	30	2.0	2.0	
DEPUTY CHIEF POLICY OFFICER (EXE LEV)	36	0.2	0.2	
DEPUTY DIRECTOR (EXE LEV)	34	1.0	2.0	1.0
DEPUTY DIRECTOR-FINANCE/ADMINISTRATION (EXE LEV)	36	1.0	2.0	1.0
DIVISION MANAGER	29	13.0	11.0	(2.0)
EXECUTIVE OFFICE ASSISTANT	15	1.0	1.0	
EXECUTIVE STAFF ANALYST (EXE LEV)	30	0.7	0.0	(0.7)
FINANCE DIRECTOR	37	1.0	1.0	
FINANCIAL ANALYST I	15	0.0	1.0	1.0
FINANCIAL ANALYST II	18	1.0	0.0	(1.0)
FINANCIAL ANALYST III	21	4.0	5.0	1.0
FINANCIAL ANALYST IV	25	19.0	18.0	(1.0)
MANAGEMENT ANALYST II	18	1.0	1.0	
MANAGEMENT ANALYST III	21	2.0	1.0	(1.0)
MANAGEMENT ANALYST IV	25	2.0	2.0	
SENIOR ACCOUNT CLERK	13	1.0	0.0	(1.0)
SENIOR AUDITOR	21	4.0	4.0	
SENIOR FIXED ASSET SPECIALIST	17	1.0	1.0	
SENIOR STAFF ANALYST	28	9.0	10.1	1.1
SENIOR STAFF ANALYST (EXE LEV)	28	0.0	1.0	1.0
STAFF ANALYST	26	5.0	3.0	(2.0)
STUDENT INTERN I	4	0.0	2.5	2.5
SYSTEMS CONSULTANT	26	1.0	1.0	
Total FTEs		83.9	80.8	(3.1)
Less adjustment for Civilian Vacancy Factor		2.0	1.9	(0.1)
Full-Time Equivalents		81.9	78.9	(3.0)

FISCAL YEAR 2011 BUDGET

Business Area Revenue Summary

Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus Area No. : 1000 / 6400

Commit Item	Description	FY2010 Current Budget	FY2010 Estimate	FY2011 Budget
6400020001	Economic Development - TIRZ			
415010	Industrial District Assessment	26,880,000	16,664,000	16,000,000
424110	Other Interfund Services	79,893	17,802	0
452020	Recoveries & Refunds	700,000	112,000	100,000
Total	Economic Development - TIRZ	27,659,893	16,793,802	16,100,000
6400050001	General Accounting			
426090	Demolition Fees	499,000	660,000	603,391
426120	Weed Cutting Fees	490,000	568,942	552,316
426480	Securing/Boarding - Nuisance Abatement	68,000	80,000	60,000
426485	Visual Blight - Nuisance Abatement	3,000	3,000	3,000
428030	Release of Liens	56,000	65,000	65,000
428080	Returned Check Charges	0	1,500	1,000
428100	Interest on Liens-COH	116,500	80,000	85,000
428105	Interest on Liens-Contract	650,000	550,000	540,000
434150	Streets & Bridges Assessments	106,000	51,000	56,000
Total	General Accounting	1,988,500	2,059,442	1,965,707
6400050002	Auditing			
424150	Interfund Auditing Services-601	212,733	212,733	226,873
6400050004	Tax & Rev Acctg			
411020	Current Property Tax	815,021,802	809,146,492	741,267,744
411030	Current Year Delinquent Property Tax	64,755,198	56,513,508	82,374,256
411040	Delinquent Property Tax - Prior Years	868,165	477,797	497,647
411110	Prior Year Delinquent Property Tax-1998	3,240	12,555	0
411120	Prior Year Delinquent Property Tax-1999	114,426	96,497	1,004
411130	Prior Year Delinquent Property Tax-2000	130,755	105,594	90,090
411140	Prior Year Delinquent Property Tax-2001	153,666	145,069	89,151
411150	Prior Year Delinquent Property Tax-2002	210,587	185,825	109,434
411160	Prior Year Delinquent Property Tax-2003	353,269	298,685	172,714
411170	Prior Year Delinquent Property Tax-2004	706,935	496,737	269,432
411171	Prior Year Delinquent Property Tax-2005	1,227,798	1,792,519	465,297
411172	Prior Year Delinquent Property Tax-2006	1,763,883	1,633,062	773,368
411173	Prior Year Delinquent Property Tax-2007	2,289,545	2,451,508	1,440,522
411174	Prior Year Delinquent Property Tax-2008	9,093,731	4,598,153	2,439,828
411175	Prior Year Delinquent Property Tax-2009	0	0	5,454,513
411180	Current Delinquent - P & I	5,693,102	4,463,649	4,645,424
411190	Penalty&Interest-Delinq. Property Tax	7,855,898	7,718,350	6,755,576
411210	Property Tax Rebates	(527,000)	(680,000)	(710,000)
412010	Sales Tax	507,300,000	462,000,000	473,754,000
413010	Mixed Beverage Tax	10,576,000	10,283,000	10,590,000
414010	Bingo Tax	207,000	200,000	206,000
428060	Other Interest Income	300,000	26,000	28,000
432010	Interest on Pooled Investments	9,200,000	6,750,000	6,750,000
Total	Tax & Rev Acctg	1,437,298,000	1,368,715,000	1,337,464,000
6400070001	Capital Improvement Program			
424110	Other Interfund Services	387,320	1,250,000	1,250,000
Total	Finance Department	1,467,546,446	1,389,030,977	1,357,006,580

FISCAL YEAR 2011 BUDGET

Business Area Expenditure Summary

Fund Name : General Fund
Business Area Name : Finance Department
Fund No./Bus. Area No. : 1000 / 6400

Commit Item	Description	FY2009 Actual	FY2010 Current Budget	FY2010 Estimate	FY2011 Budget
500010	Salary Base Pay - Civilian	4,375,171	5,348,175	5,245,503	5,353,754
500030	Salary Part Time - Civilian	69,973	69,709	68,789	30,106
500060	Overtime - Civilian	139	0	0	0
500210	Pay for Performance-Municipal	1,500	0	0	0
501050	Employee Awards	1,087	0	2,628	2,700
501070	Pension - Civilian	649,504	777,080	765,410	776,297
501120	Termination Pay - Civilian	17,760	0	14,650	15,451
501160	Vehicle Allowance - Civilian	8,432	8,558	8,422	8,558
502010	FICA - Civilian	327,814	403,531	382,496	400,356
503010	Health Ins-Act Civilian	365,759	401,097	450,085	521,220
503015	Basic Life Insurance - Active Civilian	3,192	3,050	2,962	3,187
503060	Long Term Disability-Civilian	(559)	6,787	6,080	6,480
503090	Workers Compensation-Civilian-Admin	8,952	17,187	16,481	16,622
503100	Workers Compensation-Civilian-Claim	1,164	0	591	600
504020	Compensation Contingency	0	0	0	67,672
504030	Unemployment Claims	0	2,798	1,600	2,531
Total	Personnel Services	5,829,888	7,037,972	6,965,697	7,205,534
511040	Audiovisual Supplies	6,086	4,235	4,235	2,235
511045	Computer Supplies	5,028	4,535	9,685	9,665
511050	Paper & Printing Supplies	0	7,800	7,800	7,800
511055	Publications & Printed Materials	2,148	6,791	6,791	3,791
511060	Postage	4,756	4,000	5,000	6,000
511070	Miscellaneous Office Supplies	41,220	21,400	18,147	22,107
511110	Fuel	29	3,000	2,972	3,778
511125	Food Supplies	0	4,000	1,600	0
511145	Small Tools & Minor Equipment	0	200	200	200
511150	Miscellaneous Parts & Supplies	2,475	3,500	2,900	3,500
Total	Supplies	61,742	59,461	59,330	59,076
520100	Temporary Personnel Services	154,355	63,533	52,467	52,467
520105	Accounting & Auditing Services	1,724,624	1,738,000	1,746,650	1,756,650
520108	Information Resource Services	12,930	0	0	0
520109	Medical Dental & Laboratory Services	0	0	500	500
520110	Management Consulting Services	306,641	470,870	442,496	305,000
520114	Miscellaneous Support Services	897	0	1,115	2,315
520119	Computer Equipment/Software Maintenance	9,445	6,578	11,888	10,000
520121	IT Application Svcs	0	8,918	24,500	2,050
520123	Vehicle & Motor Equipment Services	683	5,000	100	3,516
520124	Other Equipment Services	25	0	0	0
520136	Billing & Collection Services	750,000	1,100,000	1,100,000	1,100,000
520510	Mail/Delivery Services	997	2,400	2,900	2,550
520515	Print Shop Services	24,984	21,000	21,000	37,695
520520	Printing & Reproduction Services	7,470	20,282	20,255	0
520605	Advertising Services	18,730	21,306	21,306	21,305
520705	Insurance Fees	2,006	2,232	2,232	2,423
520740	Document Recording/Filing Fees	301	0	0	0
520765	Membership & Professional Fees	9,618	11,500	11,500	10,500
520805	Education & Training	14,169	18,846	18,846	16,139
520905	Travel - Training Related	5,127	7,500	7,500	6,500
520910	Travel - Non-Training Related	15,415	16,129	16,129	15,000
521405	Building Maintenance Services	846	694	3,413	694
521505	Electricity	7	0	0	0
521605	Data Services	0	22,288	22,288	102

FISCAL YEAR 2011 BUDGET

Business Area Expenditure Summary

Fund Name : General Fund
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Fund No./Bus. Area No. : 1000 / 6400

Commit Item	Description	FY2009 Actual	FY2010 Current Budget	FY2010 Estimate	FY2011 Budget
521610	Voice Services	1,933	23,718	23,718	22,550
521620	Voice Equipment	3,146	3,680	3,680	3,112
521625	Voice Labor	556	2,926	2,926	448
521630	GIS Revolving Fund Services	0	0	0	3,106
521715	Office Equipment Rental	0	16,971	16,971	16,448
521730	Parking Space Rental	19,108	20,191	27,600	27,600
522430	Miscellaneous Other Services & Charges	1,039	1,500	1,500	2,800
522795	Other Interfund Services	8,878	2,340	2,340	3,000
Total	Other Services and Charges	3,093,930	3,608,402	3,605,820	3,424,470
551010	Non-Capital Office Furniture & Equipment	40,903	1,600	1,600	1,000
551015	Non-Capital Computer Equipment	17,805	6,775	6,775	1,580
Total	Non-Capital Equipment	58,708	8,375	8,375	2,580
Grand Total Expenditures		9,044,268	10,714,210	10,639,222	10,691,660